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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

BLOCKFI INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-19361 (MBK)

(Jointly Administered)

**FOURTH SUPPLEMENTAL DECLARATION OF RICHARD KANOWITZ IN
SUPPORT OF THE DEBTORS' APPLICATION FOR ENTRY OF AN ORDER UNDER
11 U.S.C. §§ 327(a), 330 AND 1107(b) AUTHORIZING THE EMPLOYMENT AND
RETENTION OF HAYNES AND BOONE, LLP AS ATTORNEYS FOR THE
DEBTORS AND DEBTORS IN POSSESSION EFFECTIVE AS OF THE PETITION
DATE PURSUANT TO LOCAL BANKRUPTCY RULE 2014-1(B)(1)**

I, Richard Kanowitz, being duly sworn, state the following under penalty of perjury:

1. I am a partner in the law firm of Haynes and Boone LLP ("Haynes and Boone"),
30 Rockefeller Plaza, 26th Floor, New York, New York 10112. I am a member in good standing

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965) and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 100 Horizon Center Blvd., 1st and 2nd Floors, Hamilton, NJ 08691.

of the Bars of the State of New Jersey and New York, and I am admitted to practice before the U.S. Court of Appeals for the Second Circuit, U.S. Court of Appeals for the Third Circuit, U.S. Court of Appeals for the Fourth Circuit, U.S. District Court for the District of New Jersey, U.S. District Court for the Southern District of New York, U.S. District Court for the Eastern District of New York, and the U.S. District Court for the Northern District of New York. There are no disciplinary proceedings pending against me.

2. On November 28, 2022 (the “Petition Date”), BlockFi Inc. and its debtor affiliates (collectively, “BlockFi” or the “Debtors”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

3. On December 22, 2022, the Debtors filed their *Application of the Debtors for Entry of an Order Authorizing the Employment and Retention of Haynes and Boone LLP as Attorneys for the Debtors and Debtors in Possession Effective as of the Petition Date Pursuant to Local Bankruptcy Rule 2014-1(B)(1)* [Docket No. 134] (the “Retention Application”).² Concurrently therewith, the Debtors filed the *Declaration of Richard Kanowitz in Support of the Debtors’ Application of the Debtors for Entry of an Order Authorizing the Employment and Retention of Haynes and Boone LLP as Attorneys for the Debtors and Debtors in Possession Effective as of the Petition Date Pursuant to Local Bankruptcy Rule 2014-1(B)(1)* [Docket No. 134, Ex. A] (the “Original Declaration”).

4. On January 24, 2023, Haynes and Boone filed the *Supplemental Declaration of Richard Kanowitz in Support of the Debtors’ Application for Entry of an Order Authorizing the Employment and Retention of Haynes and Boone LLP as Attorneys for the Debtors and Debtors*

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

in Possession Effective as of the Petition Date Pursuant to Local Bankruptcy Rule 2014-1(B)(1) [Docket No. 376] (the “First Supplemental Declaration”).

5. On January 24, 2023, the Court entered its *Order Approving the Employment and Retention of Haynes and Boone, LLP as Bankruptcy Co-Counsel for the Debtors and Debtors in Possession Effective as of the Petition Date* [Docket No. 393] (the “Retention Order”).

6. On February 24, 2023, Haynes and Boone filed the *Second Supplemental Declaration of Richard Kanowitz in Support of the Debtors’ Application for Entry of an Order Authorizing the Employment and Retention of Haynes and Boone LLP as Attorneys for the Debtors and Debtors in Possession Effective as of the Petition Date Pursuant to Local Bankruptcy Rule 2014-1(B)(1)* [Docket No. 555] (the “Second Supplemental Declaration”).

7. On May 24, 2023, Haynes and Boone filed the *Third Supplemental Declaration of Richard Kanowitz in Support of the Debtors’ Application for Entry of an Order Authorizing the Employment and Retention of Haynes and Boone LLP as Attorneys for the Debtors and Debtors in Possession Effective as of the Petition Date Pursuant to Local Bankruptcy Rule 2014-1(B)(1)* [Docket No. 989] (the “Third Supplemental Declaration”, and together with the Original Declaration, First Supplemental Declaration and Second Supplemental Declaration, the “Supplemental Declarations”).

8. In connection with the Retention Application and the Supplemental Declarations, I submit this fourth supplemental declaration (the “Fourth Supplemental Declaration”) to provide additional disclosures in accordance with Bankruptcy Rules 2014(a) and 2016(b) and as required under the Retention Order. Except as otherwise noted, I have personal knowledge of the matters set forth herein.

Supplemental Disclosures

9. This Fourth Supplemental Declaration makes certain additional disclosures. As stated in the Original Declaration, Haynes and Boone represented that “[t]he Firm recognizes its continuing responsibility to be aware of, and to further disclose, any relationship or connection between it and other parties-in-interest to the Debtors’ bankruptcy estates and the Chapter 11 Cases as they appear or become recognized during the Chapter 11 Cases. Accordingly, the Firm reserves the right to supplement this disclosure if necessary, as more information becomes available to the Firm.” *See* Original Decl., ¶ 28. Consistent with this representation, Haynes and Boone has continued to review its files for any new relevant facts or relationships regarding all the entities disclosed in the Original Declaration, and any connections to any additional entities not disclosed in the Original Declaration or the Supplemental Declaration. **Schedule 1** attached hereto includes additional parties-in-interest that Haynes and Boone has run conflict searches on since the Second Supplemental Declaration was filed.

10. Additionally, **Schedule 1** discloses the names of the potential M&A counterparties that were previously sealed due to the ongoing sale process, which has now been completed. For example, in the Original Declaration, “Paxos” was included on the parties-in-interest list under the Custodian category. They were listed as a Haynes and Boone client in the Original Declaration, but not redacted because of their status as a Custodian. “Paxos Trust Company, LLC” was included in the supplemental parties-in-interest list under the Potential M&A Counterparties category. Paxos was again listed as a Haynes and Boone client in Schedule 2 to the Second Supplemental Declaration but was redacted because of its status as a Potential M&A Counterparty. Haynes and Boone did not receive any payments from Paxos in either 2022 or 2021, and their payments to

Haynes and Boone in 2020 were de minimis. Paxos is now fully disclosed in the Schedules 1 and 2 attached hereto.

11. In the Second Supplemental Declaration, Haynes and Boone disclosed several connections to potential parties-in-interest in the Chapter 11 Cases that are current clients of Haynes and Boone. Over the last two years, each of those clients constituted a de minimis amount of the firm's yearly revenue and were in total less than two percent (2%) of the firm's total yearly revenue.

12. In the Third Supplemental Declaration, Haynes and Boone made certain additional disclosures of certain Parties-in-Interest to whom Haynes and Boone originally had no connections but subsequently became new firm clients on unrelated matters.

13. Since the filing of the Third Supplemental Declaration, additional parties-in-interest have appeared in the case which were not previously run through the firm's conflicts system. The names of those parties-in-interest are listed on **Schedule 1** attached hereto, along with the unredacted names of the Potential M&A Counterparties. **Schedule 2** contains the names of entities that became parties-in-interest since the filing of the Second Supplemental Declaration that are current clients (or affiliates thereof) of Haynes and Boone on unrelated matters and repeats disclosures made in previous declarations, only this time Haynes and Boone does not redact the names of the Potential M&A Counterparties or any other entities. None of these current clients represented more than two percent (2%) of Haynes and Boone's yearly fee receipts for the last two years.

14. Pursuant to the Debtors' *Motion for Entry of an Order Authorizing the Debtors to File Under Seal the Names of Certain Confidential Parties in Interest Related to the Debtors' Professional Retention Applications* [Docket No. 127] (the "Motion to Seal"), and to avoid

prejudicing the Debtors' sale processes, the Debtors redacted the names of "Potential M&A Counterparties" in each of the Prior Declarations. On March 24, 2023, the Bankruptcy Court entered the *Order (I) Approving the Sale of Certain of the Debtors' Self-Mining Assets Free and Clear of All Claims, Liens, Rights, Interests and Encumbrances, (II) Authorizing the Debtors to Enter Into and Perform Their Obligations Under the Asset Purchase Agreement, and (III) Granting Related Relief* [Docket No. 669] authorizing the sale of certain of the Debtors' self-mining assets to U.S. Farms & Mining Opportunity Fund LLC ("U.S. Farms").

15. Upon finalizing the sale to U.S. Farms, and the conclusion of the sale process for the Debtors' self-mining assets and the marketing process for the potential sale of the Debtors' other assets, the Debtors (which are now the Wind-Down Debtors), at the request of the United States Trustee for the District of New Jersey, agreed to disclose publicly those certain Potential M&A Counterparties that related to the sale process (the "Unredacted Potential M&A Counterparties"), which are included in Schedule 1(c).

16. As more fully disclosed in Schedule 2, the connections set forth on Schedule 2 do not constitute a disqualifying conflict of interest.³ Haynes and Boone's representation of the Debtors is now complete, and Haynes and Boone represents the Plan Administrator and Wind-Down Debtors post-effective date.

17. As of the date of this Fourth Supplemental Declaration, based on the conflicts search conducted to date and described herein, to the best of my knowledge and insofar as I have been able to ascertain, I believe that Haynes and Boone remains (a) a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327(a) of the

³ Section "327(a) is written in the present tense: it bars the retention of professionals who 'hold or represent' adverse interests. It only allows disqualifications for adverse interests that exist at the time of retention." *In re Boy Scouts of Am.*, 35 F.4th 149, 158, n. 5 (3d Cir. 2022).

Bankruptcy Code, and does not hold or represent an interest adverse to the Debtors' estates and (b) has no connection to the Debtors, their creditors, or other parties in interest.

18. Accordingly, Haynes and Boone reserves the right to further supplement this disclosure if necessary. The foregoing constitutes my supplemental declaration and that of Haynes and Boone pursuant to section 327 of the Bankruptcy Code and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure.

I declare under penalty of perjury under the laws of the United States, that the foregoing statements are true and correct.

Dated: November 7, 2023

Respectfully submitted,

/s/ Richard S. Kanowitz
Richard S. Kanowitz
Partner, Haynes and Boone LLP

SCHEDULE 1
List of Schedules

<u>Schedule</u>	<u>Category</u>
1(a)	Additional Non-Debtor Professionals
1(b)	Additional Potential M&A Counterparties
1(c)	Unredacted Potential M&A Counterparties

SCHEDULE 1(a)

Additional Non-Debtor Professionals

Andrews Devalerio LLP
Bronstein, Gewirtz & Grossman, LLC
Gerro & Gerro
Goldstein & McClintock LLLP
Grant & Eisenhofer P.A.
Jack Shrum, P.A.
Latham & Watkins LLP
Law Offices of Douglas T. Tabachnik, P.C.
Lazare Potter Giacovas & Moyle LLP
Lowenstein Sandler LLP
Middlebrooks Shapiro, P.C.
Montgomery McCracken Walker & Rhoads, LLP
Offit Kurman, P.A.
Pomerantz LLP
Porzio, Bromberg & Newman, P.C.
Shearman & Sterling LLP
Zuckerman Gore Brandeis & Crossman, LLP

SCHEDULE 1(b)

Additional Potential M&A Counterparties

Amalgamated Token Services, Inc.
Castle Island Ventures
GXD Labs LLC
Nine Realms, Inc.
Van Eck Absolute Return Advisors Corporation

SCHEDULE 1(c)

Unredacted Potential M&A Transaction Counterparties

21.co	Blockware Solutions LLC
3iQ Corp.	Blue Owl Capital Inc.
AB CarVal Investors LP	Brevan Howard
Abrams Capital LLC	Brigade Capital
Aeagean Group Holdings, LLC	BTC Mining Company
Amun Holdings Limited	Cadenza Ventures
Anchorage Capital Group LLC	Canyon Capital Advisors
Antalpha Capital (BVI) Ltd	Castlelake
Antalpha Technologies Ltd.	Centerbridge
AP Capital Investment Limited	Cerberus Capital Management
Apollo Global Management Inc.	Chicago Atlantic
Arca	Cipher
Ares Management Corp.	CleanSpark
ARK Investment Management LLC	Columbia Pacific
Arkon Energy	Compass Mining
Aspen Creek Digital Corporation	ConsenSys
Atalaya Capital Management LP	Cormint Data Systems Inc.
Atlas Holdings LLC	Cross Tower
Atlas Power	Crusoe Energy
Atlas Power Group	Cumberland DRW LLC
Atlas Technology Group LLC	Cumulus Coin LLC
AVGSF - BlockFi 2021, LLC	D&P Recovery Services
Bain Capital LP	D.E. Shaw
Bain Capital Partnership Strategies	Davidson Kempner
Bakkt	Diameter Capital Partners
BankProv	Digihost Technology
Baupost Group LLC, The	Discovery Capital Management
BC Partners	Disrupt Ventures LLC
Big Brain	Dragonfly Capital
Binance US	EJF Capital
Binance.com	Elliott Investment Management
Bitdeer	Energy Miner LLC
Bitfarms Ltd.	Enhanced Digital Group Inc.
BitFuFu	EQT
BitOoda Holdings Inc.	eToro
Bitrush, Inc.	FalconX
Bitso	Figment Inc.
Bitstamp Limited	Fir Tree Partners
Blackbird Advisory	Flowdesk
BlackRock Inc.	Forest Road Asset Management LLC
Blackstone Inc.	Fortress Investment Group
Block Inc.	Foundry Digital
Blockstream Corp. Inc.	Framework Ventures

Francisco Partners
FRNT Financial Inc.
Galaxy Digital Holdings
Gemini Trust Co.
Genesis Digital Assets
GIC Special Opportunities
Gilley Enterprises LLC
Global X Management Co. LLC
GoldenTree Asset Management LP
Gordon, Angelo
GSR Markets Limited
HPS Investment Partners LLC
Hudson Bay Capital Management LP
Hunting Hill Global Capital, LLC
Hut 8 Mining
Icebreaker Finance Pty Ltd.
ICONIQ Capital LLC
Iman Capital Partners Ltd.
INX
Iris Energy Ltd.
Jane Street Group LLC
Jane Street Group, LLC
Kennedy Lewis Investment Management LLC
King Street Capital Management LP
Kingsway Capital Partners Ltd.
KKR & Co. Inc.
Kryptovault
Ledn Inc.
Luxor Technologies Inc.
M1 Finance
Macquarie Group Ltd.
Magnetar Capital LLC
Maple Finance
Marathon Digital Holdings Inc.
Mariner Investment Group LLC
Matrixport Technologies Ltd.
MaxBoring LLC
Medallion Consulting Services LLC
Merkle Standard
Metavesco, Inc.
Milo Holdings, Inc.
Mission Lane LLC
Monarch Alternative Capital LP
Morgan Stanley
Murchinson Ltd.

New York Digital Investment Group LLC
Nexo Inc.
NextEra Energy Inc.
Nixon Peabody LLP
North Rock Digital LLP
NovaWulf Digital Management LP
NYDIG Asset Management LLC
Oak Hill Capital Management LLC
Oaktree
One River Asset Management LLC
Outset Global Trading Limited
Owl Creek
P. Schoenfeld Asset Management LP
Paloma Partners LLC
ParaFi Capital LP
Parataxis Capital
Paribu
Paxos Trust Company, LLC
Payward Inc.
Peak Rock Capital LLC
Pentwater Capital Management LP
Pepper Hu LTD
Pi Consulting
Pivotal Group Inc.
Public Holdings, Inc.
Quantum Technoloy
Redwood Capital Management LLC
Riot Blockchain Inc.
SAI.TECH
Sculptor Capital Management Inc.
Senator Investment Group LP
Serene Investment Management LLC
Sesterce US Inc.
Silver Point Capital LP
Sixth Street
SkyBridge Capital
SpiderMining Inc.
Statar Energy US Inc.
Stonepeak
Stronghold
SunnySide Digital
Supplybit
Talen Energy
Talos Trading, Inc.
Temasek
Thoma Bravo

Thoma Bravo LP
Thomas H. Lee
Thomas H. Lee Partners LP
Thunder Bridge Capital LLC
U.S. Data Group, Inc.
US Farms and Mining Inc
VCV Digital
Vistra Group
WhiteHawk Capital Partners
WhiteHawk Capital Partners LP
Wisdom Tree
WonderFi Technologies Inc.
XBTO

SCHEDULE 2

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a Current or Former HB Client	Status
Bain Capital Partnership Strategies	Bain Capital Credit	The Firm represents Bain Capital Credit on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Davidson Kempner	Davidson Kempner Capital Management LP	The Firm represents Davidson Kempner Capital Management LP on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Dragonfly Capital	Dragonfly Ventures, LP	The Firm represents Dragonfly Ventures, LP, an affiliate of Dragonfly Capital, on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Forest Road Asset Management LLC	Forest Road Asset Management	The Firm represents Forest Road Asset Management on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Fortress Investment Group	Fortress Investment Group, LLC	The Firm represents Fortress Investment Group, LLC on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Hudson Bay Capital Management	Hudson Bay Capital Management, LP	The Firm represents Hudson Bay Capital Management, LP on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Jane Street Group, LLC	Jane Street Capital	The Firm represents Jane Street Capital on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
KKR	The Crosby Group and Gardner Denver	The Firm represents The Crosby Group and Gardner Denver, affiliates of KKR, on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a Current or Former HB Client	Status
Latham & Watkins LLP	Latham & Watkins LLP	The Firm was retained by Latham & Watkins LLP to performs certain intellectual property litigation services on behalf of Avadel Pharmaceuticals in matters unrelated to the Debtors or the Chapter 11 Cases. Although Latham & Watkins LLP is listed as a client of the firm, the work is not performed on their behalf and is no way related to these Chapter 11 Cases.
Macquarie Group	Macquarie Bank Limited	The Firm represents Macquarie Bank Limited, an affiliate of Macquarie Group, on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Monarch Alternative Capital	Monarch Alternative Capital	The Firm represents Monarch Alternative Capital on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Morgan Stanley	Morgan Stanley Bank	The Firm represents Morgan Stanley Bank on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Murchinson, Ltd.	Murchinson LP	The Firm represents Murchinson LP on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
NextEra Energy	NextEra Energy, Inc.	The Firm represents NextEra Energy, Inc. on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Paxos Trust Company, LLC	Paxos Trust Company, LLC	The Firm represents Paxos Trust Company, LLC on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Sculptor Capital Management	Sculptor Capital Investments, LLC	The Firm represents Sculptor Capital Investments, LLC on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a Current or Former HB Client	Status
Silver Point Capital	Silver Point Capital	The Firm represents Silver Point Capital on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.
Stronghold	Stronghold Resource Partners	The Firm represents Stronghold Resource Partners on matters unrelated to the Debtors or the Chapter 11 Cases. This client was previously disclosed but redacted in public filings.